

Financial Statements of

Springside Residents' Association

Year ended December 31, 2019
(Unaudited)

Springside Resident's Association

Statements of Financial Position

As at December 31, 2019 with comparative information for 2018

(Unaudited)

<i>(in Canadian dollars)</i>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Cash	16,231	121,835
Short Term Investments (Note 1)	50,466	0
Accounts Receivable (Note 3)	8,300	7,900
Prepays & Deposits	<u>1,372</u>	<u>22</u>
Total Current Assets	<u>76,369</u>	<u>129,757</u>
Long Term Investment (Note 1)	<u>70,854</u>	<u>0</u>
TOTAL ASSETS	<u><u>147,223</u></u>	<u><u>129,757</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	4,988	1,575
Other Current Liabilities		
Accrued Payables	1,000	433
Prepaid Dues	<u>300</u>	<u>125</u>
Total Other Current Liabilities	<u>1,300</u>	<u>558</u>
Total Current Liabilities	6,288	2,133
Long Term Liabilities		
Deferred Liability (Note 4)	<u>0</u>	<u>3,966</u>
Total Long Term Liabilities	<u>0</u>	<u>3,966</u>
Total Liabilities	6,288	6,099
Retained Earnings	127,624	157,676
Net Income (Loss)	<u>13,312</u>	<u>(34,018)</u>
Total Equity	<u>140,935</u>	<u>123,658</u>
TOTAL LIABILITIES & EQUITY	<u><u>147,223</u></u>	<u><u>129,757</u></u>

Springside Resident's Association

Statement of Net Income/(Loss)

Year ended December 31, 2019 with comparative information for 2018

(Unaudited)

(in Canadian dollars)

	<u>2019</u>	<u>2018</u>
INCOME		
Annual Dues Income	76,125	76,125
Interest Income - Chq Account	41	81
Interest Income - GIC Investments (Note 1)	1,320	0
Late Payment Fee Income	1,477	365
Legal Fee Recoveries	0	7,834
Total Income	<u>78,963</u>	<u>84,404</u>
EXPENSE		
Administrative Expenses		
Bank Service Charges	25	0
General Administration (Note 2)	4,122	37,866
Online Payment Services	2,480	2,486
Website Maintenance	1,335	2,267
Total Administrative Expenses	<u>7,963</u>	<u>42,620</u>
Bad Debt Expense	-6	25
Collection Expenses		
Collections Administration	137	1,710
Legal Fees (Note 2)	680	8,153
Total Collection Expenses	<u>817</u>	<u>9,864</u>
Community Events	564	559
Insurance	1,356	1,132
Maintenance		
Fence Maintenance	398	2,709
Landscape Maintenance-Contract	53,773	53,828
Landscape Projects-Extras (Note 2)	0	7,686
Total Maintenance	<u>54,171</u>	<u>64,223</u>
Professional Fees (Note 2)	788	0
Total Expense	<u>65,651</u>	<u>118,422</u>
NET INCOME (LOSS)	<u>13,312</u>	<u>(34,018)</u>

Notes to Financial Statements

(Unaudited)

1 Investments

Surplus cash was invested in June 2019 in five different GIC's. The surplus cash has been set aside pending the outcome of a Maintenance Study on the cost to maintain the fencing within the community. Interest income has been accrued on the GIC Investments.

<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Redeemable</u>
70,000	2.26%	19-Jun-21	No
25,000	2.16%	19-Sep-20	No
10,000	1.30%	19-Jun-20	Yes
10,000	1.30%	19-Jun-20	Yes
5,000	1.30%	19-Jun-20	Yes

2 Expenses

a. **Legal Fees** relate to costs incurred to collect outstanding amounts that are in arrears. These costs are the responsibility of the Homeowner as per the Encumbrance. In 2018, a breakdown in the relationship between the legal counsel employed by the SRA to collect fees that were in arrears and an expelled Board Member forced the SRA to pay the outstanding legal fees, (owed by homeowners), in order to recover the SRA fees already collected by the lawyer. The SRA has collected all but one legal fee for \$6,900 from a single homeowner which the SRA is actively pursuing.

b. General Administration Cost Breakdown

	<u>2019</u>	<u>2018</u>
Consulting / Support ¹	-	23,520
Contractor Transition Costs ¹	840	-
Special Meeting 1 ²	-	4,710
Special Meeting 2 ²	-	7,505
Annual General Meeting (AGM) ³	2,908	-
Digital Post Mailbox	156	146
QuickBooks setup	-	1,407
Miscellaneous	218	578
	<u>\$ 4,122</u>	<u>\$ 37,866</u>

¹ **Consulting support** was terminated in 2019 with minimal transition costs.

² There were no **Special Meetings** held in 2019.

³ No **Annual General Meeting** was held in 2018. The AGM was intended to be held in November 2018 but was delayed due to a petition to hold a Special Meeting which required the AGM to be delayed until 2019.

c. **2019 Landscape Projects / Extras** - there were no Projects/Extras undertaken in 2019. The costs in 2018 relate to the purchase of 8 new large planters placed along Wentworth Drive.

d. **Professional Fees** relates to a Maintenance Study performed to determine life span and maintenance costs for the community stucco fencing.

e. All expenditures have been expensed in the financial statements. None have been capitalized even if they may benefit more than one year. Expenses which may benefit more than one year include Landscaping Projects e.g. planting of perennials or purchase of planter pots and Fence Maintenance e.g. replacement of fence caps and painting of exterior side stucco.

3 Accounts Receivable

	<u>Current</u>	<u>> 90 days</u>	<u>Total</u>
2019 Annual Fees + Late Payment Admin Fee - 8 homeowners		1,400	1,400
Legal costs - 1 homeowner ¹		6,900	6,900
TOTAL	\$ -	8,300	8,300

¹ Legal costs incurred by homeowner related to collection of annual fees over several years.

4 Deferred Liability

In 2017 it was determined that certain properties did not have an encumbrance on title and therefore, billings to these properties were discontinued. The deferred liability represents annual dues collected from these unencumbered SRA properties for the year 2016. Amounts received had been recorded as a deferred liability and removed from revenue in 2015 and 2016. The amounts related to 2015 were written off against Equity in 2018 and the balance was written off against Equity in 2019.

5 Accounting

The recognition, measurement, presentation and disclosure principles in these financial statements may not be in accordance with the requirements of any of the financial reporting frameworks in the CPA Canada Handbook - Accounting.